MICROMET, INC.
Form SC 14D9
February 02, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14D-9

(Rule 14d-101)

Solicitation/Recommendation Statement Under Section 14(d)(4)

of the Securities Exchange Act of 1934

MICROMET, INC.

(Name of Subject Company)

MICROMET, INC.

(Name of Person Filing Statement)

Common Stock, $0.00004 par value per share

(Title of Class of Securities)

59509C105

(CUSIP Number of Class of Securities)

Christian Itin, Ph.D.

President and Chief Executive Officer

Micromet, Inc.

9201 Corporate Boulevard, Suite 400,

Rockville, MD 20850

(240) 752-1420

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of the Person Filing Statement)

With copies to:

Barbara L. Borden, Esq.

Cooley LLP

4401 Eastgate Mall

San Diego, CA 92121

(858) 550-6000

Christian Plaza, Esq.

Cooley LLP

One Freedom Square, Reston Town Center

11951 Freedom Drive

Reston, Virginia 20190

(703) 456-8000

¨ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

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Item 1. Subject Company Information.

(a) Name and Address. The name of the subject company to which this Solicitation/Recommendation Statement on Schedule 14D-9 (together with any annexes attached hereto, this Schedule 14D-9) relates is Micromet, Inc., a Delaware corporation (Micromet or the Company). The address of the principal executive offices of the Company is 9201 Corporate Boulevard, Suite 400, Rockville, MD 20850, and its telephone number is (240) 752-1420.

(b) Securities. The title of the class of equity securities to which this Schedule 14D-9 relates is the common stock, $0.00004 par value per share, of the Company (together with the associated preferred stock purchase rights, the Shares). As of January 25, 2012, there were 92,375,454 Shares issued and outstanding.

Item 2. Identity and Background of Filing Person.

(a) Name and Address. The name, address and telephone number of the Company, which is the person filing this Schedule 14D-9, are set forth in Item 1(a) above. The Company s website is *http://www.micromet.com*. The website and the information on or available through the website are not a part of this Schedule 14D-9, are not incorporated herein by reference and should not be considered a part of this Schedule 14D-9.

(b) Tender Offer. This Schedule 14D-9 relates to a tender offer (the Offer) by Armstrong Acquisition Corp., a Delaware corporation (Purchaser) and a wholly-owned subsidiary of Amgen Inc., a Delaware corporation (Amgen), disclosed in a Tender Offer Statement on Schedule TO, dated February 2, 2012 (as amended or supplemented from time to time, and together with the exhibits thereto, the Schedule TO), to purchase all of the issued and outstanding Shares at a purchase price of $11.00 per share (the Offer Price), net to the seller in cash, without interest and less applicable withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated February 2, 2012 (as amended or supplemented from time to time, the Offer to Purchase), and in the related Letter of Transmittal (as amended or supplemented from time to time, the Letter of Transmittal). The Schedule TO was filed with the Securities and Exchange Commission (the SEC) on February 2, 2012. Copies of the Offer to Purchase and Letter of Transmittal are being mailed to the Company s stockholders together with this Schedule 14D-9 and filed as Exhibits (a)(1)(A) and (a)(1)(B) hereto, respectively, and are incorporated herein by reference.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of January 25, 2012 (as may be amended from time to time, the Merger Agreement), among the Company, Amgen and Purchaser. The Merger Agreement provides, among other things, that following the consummation of the Offer and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement and in accordance with the relevant provisions of the Delaware General Corporation Law (the DGCL) and other applicable law, Purchaser will merge with and into the Company, with the Company continuing as the surviving corporation (the Merger and, together with the Offer and the other transactions contemplated by the Merger Agreement, the Transactions), and each Share that is outstanding (other than Shares that are held by (i) the Company, Amgen, Purchaser or any of their respective wholly-owned subsidiaries, which will cease to exist with no consideration to be paid in exchange therefor, and (ii) stockholders of the Company, if any, who properly perfect their appraisal rights under the DGCL in connection with the Merger) will be converted into the right to receive cash, without interest thereon and less any required withholding taxes, in an amount equal to the Offer Price. Upon the effective time of the Merger (the Effective Time), the Company will become a wholly-owned subsidiary of Amgen. A copy of the Merger Agreement is filed as Exhibit (e)(1) hereto and is incorporated herein by reference.

The initial expiration date of the Offer is 12:00 midnight, New York City time, at the end of the day on March 1, 2012, subject to extension in certain circumstances as permitted by the Merger Agreement and applicable law.

The foregoing summary of the Offer is qualified in its entirety by the more detailed description and explanation contained in the Offer to Purchase and accompanying Letter of Transmittal, copies of which have been respectively filed as Exhibits (a)(1)(A) and (a)(1)(B) hereto.

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According to the Schedule TO, the address of the principal executive offices of Purchaser is One Amgen Center Drive, Thousand Oaks, California, 91320-1799, and its telephone number is (805) 447-1000. According to the Schedule TO, the address of the principal executive offices of Amgen is One Amgen Center Drive, Thousand Oaks, California, 91320-1799, and its telephone number is (805) 447-1000.

Item 3. Past Contacts, Transactions, Negotiations and Agreements.

Except as set forth or incorporated by reference in this Schedule 14D-9, including in the Information Statement of the Company attached to this Schedule 14D-9 as Annex I hereto, which is incorporated by reference herein (the Information Statement), to the knowledge of the Company, as of the date hereof, there are no material agreements, arrangements or understandings, or any actual or potential conflicts of interest between the Company or its affiliates and (i) the Company, its executive officers, directors or affiliates, or (ii) Amgen, Purchaser or their respective executive officers, directors or affiliates. The Information Statement is being furnished to the Company s stockholders pursuant to Section 14(f) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Rule 14f-1 promulgated under the Exchange Act, in connection with Purchaser s right pursuant to the Merger Agreement to designate persons to the Board of Directors of Micromet after accepting, for the first time, for payment the Shares validly tendered and not properly withdrawn pursuant to the Offer in an amount equal to at least one Share more than one-half of the sum of: (a) all Shares then outstanding, and (b) all Shares issuable upon the exercise, conversion or exchange of any Options (as defined below), Company warrants or other rights to acquire Shares then outstanding (other than any Shares issuable pursuant to the Top-Up Option (as defined below)) regardless of whether or not then vested (such time hereinafter referred to as the Offer Acceptance Time) other than at a meeting of the stockholders of the Company.

Any information that is incorporated herein by reference shall be deemed modified or superseded for purposes of this Schedule 14D-9 to the extent that any information contained herein modifies or supersedes such information.

(a) Arrangements between the Company and its Executive Officers, Directors and Affiliates.

The Company s executive officers and the members of its Board of Directors may be deemed to have interests in the Transactions that may be different from or in addition to those of the Company s stockholders generally. These interests may create potential conflicts of interest. The Board of Directors of Micromet was aware of these interests and considered them, among other things, in reaching its decision to approve the Merger Agreement and the Transactions and recommend that the Company s stockholders tender their shares in connection with the Offer.

For further information with respect to the arrangements between the Company and its executive officers, directors and affiliates described in this Item 3, please also see the Information Statement, including the information under the headings Security Ownership of Certain Beneficial Owners and Management; Executive Compensation Compensation Discussion and Analysis; Executive Compensation Summary Compensation Table; Executive Compensation Grants of Plan-Based Awards in 2011; Executive Compensation Outstanding Equity Awards as of December 31, 2011; Executive Compensation Director Compensation; and Transactions with Related Persons.

Cash Payable for Outstanding Shares Pursuant to the Offer

The directors and executive officers of the Company who tender the Shares owned by them for purchase pursuant to the Offer, upon Purchaser s purchase of the Shares tendered and not properly withdrawn pursuant to the Offer, will receive the same cash consideration subject to the same terms and conditions as the other stockholders of the Company. The directors and executive officers of the Company owned, in the aggregate, 183,512 Shares (or 0.2% of all outstanding Shares) as of January 25, 2012, excluding Shares issuable upon

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exercise of options and warrants to purchase Shares (whether or not exercisable within 60 days of January 25, 2012), which are discussed below. If the directors and executive officers were to tender all 183,512 of those Shares for purchase pursuant to the Offer and those Shares were accepted for payment and purchased by Purchaser, then the directors and officers would receive an aggregate of $2,018,632.00 in cash pursuant to tenders of those Shares into the Offer.

The beneficial ownership of Shares held by each director and executive officer is further described in the Information Statement under the heading Security Ownership of Certain Beneficial Owners and Management.

The table below sets forth the number of Shares held by the directors and executive officers of the Company as of January 25, 2012, excluding Shares issuable upon exercise of options or warrants to purchase Shares (whether or not exercisable within 60 days of January 25, 2012) and the amount of cash consideration they will receive for those Shares, rounded to the nearest dollar.

Executive Officer/Director	Number of Shares Owned	Value of Shares Owned
Christian Itin	2,885	$ 31,735
Barclay A. Phillips	1,483	16,313
Patrick A. Baeuerle	16,266	178,926
Jan Fagerberg		
Matthias Alder		
David F. Hale	121,951	1,341,461
John E. Berriman	11,765	129,415
Michael G. Carter	1,514	16,654
Kapil Dhingra		
Peter Johann	21,765	239,415
Joseph P. Slattery	5,883	64,713
Joseph Lobacki		
Ulrich Grau		
Jens Hennecke		
All directors and executive officers as a group (14 persons)	183,512	$ 2,018,632

Treatment of Options

Pursuant to the terms of the Merger Agreement, at the Effective Time, each outstanding option to purchase Shares (collectively, the Options), including the vested and unvested portions, will be cancelled and converted into only the right to receive, without interest, after giving effect to any accelerated vesting at the Effective Time contemplated under the Merger Agreement or under the terms of any employment agreements or individual award agreements, for the portion of each Option that is (i) vested and exercisable as of the Effective Time, an amount in cash equal to the product of (A) the excess, if any, of (1) the Offer Price over (2) the exercise price per share of such vested portion of the Option, and (B) the number of Shares underlying the vested portion of such Option, and (ii) not vested at the Effective Time, an amount in cash equal to the product of (A) the excess, if any, of (1) the Offer Price over (2) the exercise price per share of such unvested portion of the Option, and (B) the number of Shares underlying such unvested portion of the Option (in each case, such product, less applicable tax withholdings, the Option Payment Amount).

For the portion of each Option that is vested and exercisable as of the Effective Time, the Option Payment Amount will be payable to the holder of such Option as soon as reasonably practicable, but no later than the second payroll period, after the Effective Time.

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For the portion of each Option that is not vested and exercisable as of the Effective Time, the Option Payment Amount in respect of such cancelled and converted unvested portion of the Option will be subject to the same vesting schedule and other relevant terms applicable to the Option as in effect before the Effective Time. The Option Payment Amount will be payable to the holder thereof no later than the second payroll period after the applicable vesting date of such payment, subject to the holder s continued employment through the vesting date, or earlier termination without cause (including because of the holder s death or disability) or upon resignation for good reason (in each case within the meaning of the applicable Micromet equity plan or individual employment agreement), in which case the Option Payment Amount will be payable to the holder thereof by no later than the second payroll period after the date of such termination or resignation. Any Option Payment Amount in respect of a cancelled and converted unvested portion of an Option that remains outstanding and unvested as of December 15, 2012, will vest on December 15, 2012, and such Option Payment Amount will be paid to the holder no later than December 31, 2012. Any partial accelerated vesting, pursuant to an individual employment agreement or award agreement, will be applied pro rata, on a grant by grant basis, to each vesting tranche subject to such accelerated vesting, such that the portion of each such vesting tranche that is not accelerated will be subject to the same vesting schedule in effect as of the date of the Merger Agreement. In addition, the portion of each Option that is not vested as of the Effective Time and that is held by a non-employee member of the Board of Directors of Micromet will be subject to accelerated vesting and become exercisable in full upon the Effective Time and cashed-out in the same manner as other vested Options. The table below reflects the number of vested and unvested shares underlying Options with exercise prices below $11.00 per share that are held by the Company s directors and executive officers, assuming the Effective Time occurs on February 29, 2012, assuming that no stock options held by such persons are forfeited or exercised between January 25, 2012 and February 29, 2012, and reflects the gross amount payable to the Company s directors and executive officers with respect to their Options (without taking into account any applicable tax withholdings).

The beneficial ownership of Options held by each director and executive officer is further described in the Information Statement under the heading Security Ownership of Certain Beneficial Owners and Management.

	Vested Options			Unvested Options			
Name	Number of Shares Underlying Vested Options	Weighted Average Exercise Price Per Share	Option Spread Value from Vested Options	Number of Shares Underlying Unvested Options	Weighted Average Exercise Price Per Share	Option Spread Value from Unvested Options	Total Option Spread Value
Christian Itin	1,738,905	$ 3.18	$ 13,590,931	353,057	$ 6.63	$ 1,542,637	$ 15,133,568
Barclay A. Phillips	433,748	6.16	2,098,554	176,460	6.57	782,237	2,880,791
Patrick A. Baeuerle	960,297	3.06	7,627,619	188,057	6.62	824,027	8,451,646
Jan Fagerberg	271,387	7.09	1,061,406	273,613	6.73	1,168,744	2,230,150
Matthias Alder	550,595	3.84	3,944,248	132,709	6.68	573,545	4,517,793
David F. Hale	754,011	6.25	3,577,901	54,169	6.12	264,262	3,842,163
John E. Berriman	129,821	4.63	826,481	8,334	5.53	45,587	872,068
Michael G. Carter	143,154	4.94	866,947	8,334	5.53	45,587	912,534
Kapil Dhingra	81,666	4.77	508,463	8,334	5.53	45,587	554,050
Peter Johann	111,666	4.26	753,163	8,334	5.53	45,587	798,750
Joseph P. Slattery	119,166	3.96	838,338	8,334	5.53	45,587	883,925
Joseph Lobacki				300,000	6.35	1,395,000	1,395,000
Ulrich Grau				300,000	5.78	1,566,000	1,566,000
Jens Hennecke	515,889	3.49	3,872,753	134,098	6.64	584,435	4,457,188
All directors and executive officers as a group (14 persons)	5,810,305	$ 4.19	$ 39,566,804	1,953,833	$ 6.43	$ 8,928,822	$ 48,495,626

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Treatment of Warrants

The table below sets forth information regarding warrants to purchase Shares (collectively, the Warrants) held by the Company s directors and executive officers as of January 25, 2012. Pursuant to the terms of the Merger Agreement, Amgen will cause the surviving corporation in the Merger (the Surviving Corporation) to assume, exchange or make payment for the outstanding Warrants following the closing of the Merger. Pursuant to the terms of the Warrants, at the Effective Time, the Warrants shall represent the right to receive an amount of cash consideration (rather than Shares of the Surviving Corporation) equal to the product of (1)(a) the Offer Price less (b) the per share exercise price to be paid in connection with the exercise of any such Warrant and (2) the aggregate number of shares of the Company s common stock that such Warrants would have been exercisable into at the time immediately preceding the Effective Time. The directors and executive officers of the Company owned, in the aggregate, Warrants to purchase an aggregate of 17,908 Shares as of January 25, 2012, which represent an aggregate intrinsic value of $128,061.78, assuming such warrants are exercised or net exercised following the Effective Time.

The beneficial ownership of Warrants held by each director and executive officer is further described in the Information Statement under the heading Security Ownership of Certain Beneficial Owners and Management.

Executive Officer/Director	Shares Issuable upon Exercise of Warrants Held	Exercise Price per Share of Warrant	Value of Warrants Held(1)
Christian Itin			
Barclay A. Phillips			
Patrick A. Baeuerle			
Jan Fagerberg			
Matthias Alder			
David F. Hale	9,083	$ 3.09	$ 71,846.53
John E. Berriman	3,530	4.63	22,486.10
Michael G. Carter			
Kapil Dhingra			
Peter Johann	3,530	4.63	22,486.10
Joseph P. Slattery	1,765	4.63	11,243.05
Joseph Lobacki			
Ulrich Grau, Ph.D.			
Jens Hennecke			
All directors and executive officers as a group (14 persons)	17,908		$ 128,061.78

(1) Value determined by subtracting the aggregate exercise price of the Warrant from the product of (a) the number of Shares issuable upon exercise of the Warrant and (b) the Offer Price.

Change of Control Arrangements with Current Executive Officers

All of the Company s executive officers are at will employees and their employment with the Company may be terminated by either the Company or the executive officer at any time, with or without cause, except as required by law for executive officers of the Company that are located in Germany. The Company has entered into employment agreements with each of its executive officers. The below-summarized benefits are subject to the executive officer executing and not revoking a general release of claims in favor of the Company and complying with certain covenants, including a twelve month post-termination non-competition covenant and a six month post-termination non-solicitation covenant. For the purposes of the arrangements summarized below, a change of control will occur contemporaneously with the Offer Acceptance Time.

Pursuant to Dr. Itin s employment agreement, if Dr. Itin s employment is terminated by the Company without cause or by Dr. Itin for good reason (each as defined in Dr. Itin s employment agreement) within six

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months prior to or within twelve months following a change of control, then to the extent that the Company has not established any compensation plan or severance benefits that are more favorable than those listed below, Dr. Itin will receive: (a) a lump sum payment equal to (i) eighteen months of base salary, (ii) any unpaid bonus amount earned under the management incentive compensation plan for the prior year, and (iii) an amount equal to the average of Dr. Itin s annual bonuses for the three years prior to the date of termination; (b) continuation of payments for insurance coverage for a period of up to eighteen months; and (c) costs for outplacement services up to 15,000. In addition, pursuant to Dr. Itin s employment agreement, (1) the vesting of 50% of Dr. Itin s unvested stock awards will accelerate on the date of the change of control and (2) all of Dr. Itin s stock awards will vest if Dr. Itin is still employed by the Company six months following the change of control or if Dr. Itin s employment is terminated without cause or for good reason within twenty-four months following a change of control.

Pursuant to Mr. Phillips employment agreement, if Mr. Phillips employment is terminated by the Company without cause or by Mr. Phillips for good reason (each as defined in Mr. Phillips employment agreement) within six months prior to or within twelve months following a change of control, then to the extent that the Company has not established any compensation plan or severance benefits that are more favorable than those listed below, Mr. Phillips will receive: (a) a lump sum payment equal to (i) twelve months of base salary, (ii) any unpaid bonus amount earned under the management incentive compensation plan for the prior year, and (iii) an amount equal to the average of Mr. Phillips bonuses for the three years prior to the date of termination; (b) (i) twelve months COBRA premiums (or if continuation coverage is not available, the cost of conversion or individual coverage not to exceed the cost of two times the premium paid by the Company prior to termination), and (ii) continuation of payments for insurance coverage for a period of up to twelve months; and (c) costs for outplacement services up to $15,000. In addition, pursuant to Mr. Phillips employment agreement, (1) the vesting of 50% of Mr. Phillips unvested stock awards will accelerate on the date of the change of control, and (2) all of Mr. Phillips stock awards will vest if Mr. Phillips employment is terminated without cause or for good reason within twenty-four months following a change of control.

Pursuant to Dr. Baeuerle s employment agreement if Dr. Baeuerle s employment is terminated by the Company without cause or by Dr. Baeuerle for good reason (each as defined in Dr. Baeuerle s employment agreement) within six months prior to or within twelve months following a change of control, then to the extent that the Company has not established any compensation plan or severance benefits that are more favorable than those listed below, Dr. Baeuerle will receive: (a) a lump sum payment equal to (i) twelve months of base salary, (ii) any unpaid bonus amount earned under the management incentive compensation plan for the prior year, and (iii) an amount equal to the average of Dr. Baeuerle s bonuses for the three years prior to the date of termination; (b) continuation of payments for insurance coverage for a period of up to twelve months; and (c) costs for outplacement services up to 15,000. In addition, pursuant to Dr. Baeuerle s employment agreement, (1) the vesting of 50% of Dr. Baeuerle s unvested stock awards will accelerate on the date of the change of control and (2) all of Dr. Baeuerle s stock awards will vest if Dr. Baeuerle s employment is terminated without cause or for good reason within twenty-four months following a change of control. Please see the section entitled Arrangements Among Amgen, the Purchaser and Certain Executive Officers and Directors of the Company for a description of the amendment to executive employment agreement, dated January 25, 2012, among the Company, Amgen and Dr. Baeuerle, entered into in connection with the signing of the Merger Agreement.

Pursuant to Dr. Fagerberg s employment agreement, if Dr. Fagerberg s employment is terminated by the Company without cause or by Dr. Fagerberg for good reason (each as defined in Dr. Fagerberg s employment agreement) within six months prior to or within twelve months following a change of control, then to the extent that the Company has not established any compensation plan or severance benefits that are more favorable than those listed below, Dr. Fagerberg will receive: (a) a lump sum payment equal to (i) twelve months of base salary, (ii) any unpaid bonus amount earned under the management incentive compensation plan for the prior year, and (iii) an amount equal to the average of Dr. Fagerberg s bonuses for the three years prior to the date of termination; (b) continuation of payments for insurance coverage for a period of up to twelve months; and (c) costs for outplacement services up to 15,000. In addition, pursuant to Dr. Fagerberg s employment agreement, (1) the vesting of 50% of Dr. Fagerberg s unvested stock awards will accelerate on the date of the

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change of control, and (2) all of Dr. Fagerberg s stock awards will vest if Dr. Fagerberg s employment is terminated without cause or for good reason within twenty-four months following a change of control. Please see the section entitled Arrangements Among Amgen, the Purchaser and Certain Executive Officers and Directors of the Company for a description of the amendment to executive employment agreement, dated January 25, 2012, among the Company, Amgen and Dr. Fagerberg entered into in connection with the signing of the Merger Agreement.

Pursuant to Mr. Alder s employment agreement, if Mr. Alder s employment is terminated by the Company without cause or by Mr. Alder for good reason (each as defined in Mr. Alder s employment agreement) within six months prior to or within twelve months following a change of control, then to the extent that the Company has not established any compensation plan or severance benefits that are more favorable than those listed below, Mr. Alder will receive: (a) a lump sum payment equal to (i) twelve months of base salary, (ii) any unpaid bonus amount earned under the management incentive compensation plan for the prior year, and (iii) an amount equal to the average of Mr. Alder s bonuses for the three years prior to the date of termination; (b) (i) twelve months COBRA premiums (or if continuation coverage is not available, the cost of conversion or individual coverage not to exceed the cost of two times the premium paid by the Company prior to termination), and (ii) continuation of payments for insurance coverage for a period of up to twelve months; and (c) costs for outplacement services up to $15,000. In addition, pursuant to Mr. Alder s employment agreement, (1) the vesting of 50% of Mr. Alder s unvested stock awards will accelerate on the date of the change of control, and (2) all of Mr. Alder s stock awards will vest if Mr. Alder s employment is terminated without cause or for good reason within twenty-four months following a change of control.

Pursuant to Mr. Lobacki s employment agreement, if Mr. Lobacki s employment is terminated by the Company without cause or by Mr. Lobacki for good reason (each as defined in Mr. Lobacki s employment agreement) within six months prior to or within twelve months following a change of control, then to the extent that the Company has not established any compensation plan or severance benefits that are more favorable than those listed below, Mr. Lobacki will receive: (a) a lump sum payment equal to (i) twelve months of base salary, and (ii) an amount equal to the average of Mr. Lobacki s bonuses for the three years prior to the date of termination; (b) (i) twelve months COBRA premiums (or if continuation coverage is not available, the cost of conversion or individual coverage not to exceed the cost of two times the premium paid by the Company prior to termination), and (ii) continuation of payments for insurance coverage for a period of up to twelve months; and (c) costs for outplacement services up to $20,000. In addition, pursuant to Mr. Lobacki s employment agreement, all of Mr. Lobacki s stock awards will vest if Mr. Lobacki s employment is terminated without cause or for good reason within twenty-four months following a change of control.

Pursuant to Dr. Grau s employment agreement, if Dr. Grau s employment is terminated by the Company without cause or by Dr. Grau for good reason (each as defined in Dr. Grau s employment agreement) within six months prior to or within twelve months following a change of control, then to the extent that the Company has not established any compensation plan or severance benefits that are more favorable than those listed below, Dr. Grau will receive: (a) a lump sum payment equal to (i) twelve months of base salary, and (ii) an amount equal to the average of Dr. Grau s bonuses for the three years prior to the date of termination; (b) continuation of payments for insurance coverage for a period of up to twelve months; and (c) costs for outplacement services up to 15,000. In addition, pursuant to Dr. Grau s employment agreement, all of Dr. Grau s stock awards will vest if Dr. Grau s employment is terminated without cause or for good reason within twenty-four months following a change of control.

Pursuant to Dr. Hennecke s employment agreement, if Dr. Hennecke s employment is terminated by the Company without cause or by Dr. Hennecke for good reason (each as defined in Dr. Hennecke s employment agreement) within six months prior to or within twelve months following a change of control, then to the extent that the Company has not established any compensation plan or severance benefits that are more favorable than those listed below, Dr. Hennecke will receive: (a) a lump sum payment equal to (i) twelve months of base salary, (ii) any unpaid bonus amount earned under the management incentive compensation plan for the

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prior year, and (iii) an amount equal to the average of Dr. Hennecke s bonuses for the three years prior to the date of termination; (b) continuation of payments for insurance coverage for a period of up to twelve months; and (c) costs for outplacement services up to 15,000. In addition, pursuant to Dr. Hennecke s employment agreement, (1) the vesting of 50% of Dr. Hennecke s unvested stock awards will accelerate on the date of the change of control, and (2) all of Dr. Hennecke s stock awards will vest if Dr. Hennecke s employment is terminated without cause or for good reason within twenty-four months following a change of control.

The following table shows the maximum potential amounts of all severance payments for each of the executive officers under their severance and change of control agreements, assuming the Merger is effected on February 29, 2012 and each executive officer s employment is terminated by the Company without cause immediately thereafter, and, to the extent applicable, assuming each executive officer receives payment of his COBRA premiums for the full severance period for which he is eligible. See Treatment of Options for the potential cash out value of Options held by each executive officer. All figures have been rounded to the nearest whole dollar. For amounts payable in Euros, we have used an exchange rate of $1.295 per Euro, which was the published rate from the OANDA Corporation currency database as of December 31, 2011.

Name	Potential Cash Severance Payments under Agreements (includes salary and bonus continuation amounts)	Potential COBRA Payments, insurance premiums and Outplacement Services	Total Potential Severance Payments (including COBRA)
Christian Itin, Ph.D.	$982,449	$53,061	$1,035,510
Barclay A. Phillips	459,537	48,707	508,244
Patrick A. Baeuerle (1)	508,193	62,528	570,721
Jan Fagerberg (2)	468,025	37,094	505,119
Matthias Alder	468,497	35,856	504,353
Joseph Lobacki	375,000	38,000[3]	413,000
Ulrich Grau	529,413	42,012	571,425
Jens Hennecke	394,433	48,302	442,735
All executive officers as a group (8 persons)	$4,185,547	$365,560	$4,551,107

(1) Excludes any amounts that may be payable under the Baeuerle Amendment.
(2) Excludes any amounts that may be payable under the Fagerberg Amendment.
(3) This amount includes an estimate of $18,000, which represents 12 months COBRA premiums that Mr. Lobacki would be eligible to receive if he enrolls in the Company s group health insurance plans prior to February 29, 2012.

Each of the executive officers is subject to a better-after-tax provision that would either (i) cut back the payments to the executive officer, or (ii) provide the full payment to the executive officer, whichever results in the executive officer receiving the greater amount after taking into consideration the payment of all taxes, including the excise tax under Section 4999 of the Internal Revenue Code of 1986, as amended (the Code). One or more of the executive officers may have their payments cut back under this provision, to the extent it is determined that any such executive officer would incur liability under Section 4999 of the Code. The descriptions above are qualified in their entirety by reference to the employment agreements with each of the executive officers, which are filed as Exhibits (e)(2) (e)(11) hereto and incorporated herein by reference.

Summary of Certain Payments and Benefits Relating to the Offer

The table below contains a summary of the value of the material payments and benefits payable to the Company s directors and executive officers described in this section under the heading Arrangements between the Company and its Executive Officers, Directors and Affiliates. Amounts shown in the table are estimates and

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are based on, among other things, each executive officer s and director s compensation and stock holdings as of January 25, 2012, the number of vested and unvested Options held by each director and executive officer assuming the Effective Time occurs on February 29, 2012, the number of Warrants held by each director and executive officer, and assuming that each executive officer s employment is terminated immediately thereafter and that each executive officer will receive the maximum amount of severance payments under his employment agreement, including, if applicable, COBRA. These estimates will not be used to determine actual benefits paid, which will be calculated in accordance with terms of the related agreement, plan or arrangement and may materially differ from these estimates. In the case of Dr. Johann, the table below excludes his beneficial ownership of Shares, Options and Warrants held by entities affiliated with NGN Capital LLC, of which Dr. Johann serves as managing general partner. That ownership is further described in the Information Statement under the heading Security Ownership of Certain Beneficial Owners and Management.

Executive Officer/Director	Value of Shares Owned	Total Option Spread Value	Total Warrant Value	Total Potential Severance Payments (including COBRA)(1)	Total
Christian Itin	$ 31,735	$ 15,133,568	$	$ 1,035,510	$ 16,200,813
Barclay A. Phillips	16,313	2,880,791		508,244	3,405,348
Patrick A. Baeuerle	178,926	8,451,646		570,721	9,201,293
Jan Fagerberg		2,230,150		505,119	2,735,269
Matthias Alder		4,517,793		504,353	5,022,146
David F. Hale	1,341,461	3,842,163	71,847		5,255,471
John E. Berriman	129,415	872,068	22,486		1,023,969
Michael G. Carter	16,654	912,534			929,188
Kapil Dhingra		554,050			554,050
Peter Johann	239,415	798,750	22,486		1,060,651
Joseph P. Slattery	64,713	883,925	11,243		959,881
Joseph Lobacki		1,395,000		413,000	1,808,000
Ulrich Grau, Ph.D.		1,566,000		571,425	2,137,425
Jens Hennecke		4,457,188		442,735	4,899,923
All directors and executive officers as a group (14 persons)	$ 2,018,632	$ 48,495,626	$ 128,062	$ 4,551,107	$ 55,193,427

1 Excludes value of any unused vacation payable by law upon the termination of an executive officer s employment.

Director and Officer Exculpation, Indemnification and Insurance

Section 145 of the DGCL permits a Delaware corporation to include in its charter documents and in agreements between the corporation and its directors and officers, provisions expanding the scope of indemnification beyond that specifically provided by current law. The Company has included in its certificate of incorporation, as amended and restated (the Charter), and its bylaws, as amended and restated (the Bylaws), provisions to eliminate the personal liability of its directors and officers for monetary damages to the fullest extent under the DGCL, subject to specified limitations. Under the Charter provisions, expenses incurred by a person who is or was a director or officer of the Company in defending or investigating a threatened or pending action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company pursuant to the DGCL, the Charter or the Bylaws.

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The Company also has entered into indemnity agreements with each of its directors and executive officers. These agreements generally require the Company to indemnify its directors and executive officers against all expenses (including reasonable attorneys fees), judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by such director or executive officer because he is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any threatened, pending, or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, in which such director or executive officer was, is or will be involved as a party or otherwise by reason of the fact that he is or was a director or officer of the Company or by reason of the fact that he is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other enterprise, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company. Notwithstanding the foregoing, the Company is not obligated to indemnify such director or executive officer in certain circumstances, including for any claim for which payment has been received by or on behalf of such director or executive officer under any insurance policy or other indemnity provision, for an accounting of profits made from the purchase and sale by such director or executive officer of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law, or prior to a change in control, in connection with any proceeding initiated by such director or executive officer, including any proceeding initiated against the Company or its directors, officers, employees or other indemnitees. Under the indemnity agreements, all expenses incurred by one of the Company s directors or executive officers in defending any such action, suit or proceeding in advance of its final disposition shall be paid by the Company upon delivery to the Company of an undertaking providing that such director or executive offer undertakes to repay the advance to the extent that it is ultimately determined that he is not entitled to be indemnified by the Company under his indemnity agreement, the Bylaws, the DGCL or otherwise. The indemnity agreements also set forth certain procedures that will apply in the event any of the Company s directors or executive officers brings a claim for indemnification under his indemnity agreement. This description of the indemnity agreements entered into between the Company and each of its directors and executive officers is qualified in its entirety by reference to the form of indemnity agreement filed as Exhibit (e)(12) hereto, which is incorporated herein by reference.

From and after the Effective Time, all rights to indemnification by the Company and its subsidiaries existing in favor of directors and officers for their acts and omissions occurring prior to the Effective Time, as provided in the Charter and Bylaws and as provided in the indemnity agreements between the Company and its subsidiaries, on the one hand, and the executive officers and directors, on the other hand, shall survive the closing of the Merger (the Closing Date) and continue in full force and effect for a period of six years from the Effective Time. Under the terms of the Merger Agreement, from the Effective Time until the sixth anniversary of the Effective Time, to the fullest extent that Micromet and its subsidiaries would have been permitted to under applicable law and their respective certificates of incorporation or by-laws or other organizational documents, the Surviving Corporation will be required to indemnify, defend and hold harmless each director and officer of Micromet and all of its subsidiaries as of the date of the Merger Agreement in his capacity as an officer or director of Micromet or any of its subsidiaries, to the extent arising out of or pertaining to any and all matters pending, existing or occurring at or prior to the Effective Time, including any such matter arising under any claim with respect to the transactions contemplated by the Merger Agreement.

The Surviving Corporation will, until the sixth anniversary of the Effective Time, maintain the Company s existing policy of directors and officers liability insurance or provide substitute policies on terms no less favorable than the existing policy, or purchase a six-year tail policy prior to the Effective Time, except that neither Amgen nor the Surviving Corporation is required to expend in any one year an amount in excess of an agreed amount.

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Representation on the Board of Directors of Micromet

The Merger Agreement provides that subject to compliance with applicable law and the applicable NASDAQ Marketplace Rules, Purchaser is entitled following the Offer Acceptance Time to elect or designate such number of directors, rounded up to the next whole number, on the Board of Directors of Micromet as would represent a percentage of the entire Board of Directors of Micromet equal to the percentage of the total number of outstanding Shares beneficially owned by Amgen, Purchaser and any of their affiliates (including Shares accepted for payment pursuant to the Offer). The Company must, upon Purchaser s request at any time following the consummation of the Offer, take all such actions necessary to appoint to the Board of Directors of Micromet the individuals so designated by Purchaser, including filling vacancies on the Board of Directors of Micromet, promptly increasing the size of the Board of Directors of Micromet and/or promptly securing the resignations of such number of its incumbent directors, in each case as is necessary or desirable to enable Purchaser s designees to be so elected or designated to the Board of Directors of Micromet. The Company also must, upon Purchaser s request, following the Offer and to the extent permitted by applicable law and applicable NASDAQ Marketplace Rules, cause persons designated by Purchaser to constitute the same percentage (rounded up to the next whole number) of each committee of the Board of Directors of Micromet as the percentage such Purchaser designees make up with respect to the full Board of Directors of Micromet.

The Merger Agreement also provides that, in the event that Purchaser s designees are elected or designated to the Board of Directors of Micromet as set forth above, then, until the Effective Time, the Company will cause the Board of Directors of Micromet to maintain three directors who were members of the Board of Directors of Micromet on or prior to the date of the Merger Agreement and who are not officers, directors or employees of Amgen, Purchaser or any of their affiliates, each of whom must be an independent director as defined by Rule 5605(a)(2) of the NASDAQ Marketplace Rules and eligible to serve on the Company s audit committee under the Exchange Act and NASDAQ Marketplace Rules, and at least one of which will be an audit committee financial expert as defined in Items 407(d)(5)(ii) and (iii) of Regulation S-K of the Exchange Act (the Continuing Directors). If any Continuing Director no longer is able to serve due to death, disability or resignation, the Company must take all necessary action so that the remaining Continuing Directors are entitled to elect or designate another person to fill such vacancy. In addition, after the Offer Acceptance Time and prior to the Effective Time, the affirmative vote of a majority of the Continuing Directors will (in addition to any other required board or stockholder approval) be required for the Company (i) to amend or terminate the Merger Agreement, (ii) to exercise or waive any of the Company s rights, benefits or remedies under the Merger Agreement if such action would adversely affect, or would reasonably be expected to adversely affect, the Company s stockholders (other than Amgen or Purchaser), (iii) to amend the charter or bylaws if such action would adversely affect the Company s stockholders (other than Amgen or Purchaser) or (iv) to take any other action of the Board of Directors of Micromet in connection with the Merger Agreement, if such exercise, waiver, amendment or other action would adversely affect, or reasonably be expected to adversely affect, the holders of Shares (other than Amgen or Purchaser).

The foregoing summary concerning representation on the Board of Directors of Micromet does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which has been filed as Exhibit (e)(1) hereto and is incorporated herein by reference.

(b) Arrangements with Purchaser and Amgen and their Affiliates.

Merger Agreement

On January 25, 2012, the Company, Amgen and Purchaser entered into the Merger Agreement. The summary of the material provisions of the Merger Agreement contained in Section 11 of the Offer to Purchase and the description of the conditions of the Offer contained in Section 15 of the Offer to Purchase are incorporated herein by reference. Such summary and description are qualified in their entirety by reference to the Merger Agreement, which is filed as Exhibit (e)(1) hereto and is incorporated herein by reference.

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Employee Matters

Pursuant to the terms of the Merger Agreement, for a period commencing upon the Effective Time and continuing through the end of the year in which the Effective Time occurs, Amgen will provide to each Micromet employee who continues to be employed by Amgen, the Surviving Corporation (or any subsidiary thereof) (the Continuing Employees) total compensation (including employee benefits other than equity based compensation and retention benefits and based on bonus opportunity rather than actual bonus payments) that is at least substantially comparable in the aggregate to the compensation provided to such Continuing Employees immediately prior to the execution of the Merger Agreement. In addition, Continuing Employees will be eligible for certain severance benefits.

Amgen will, or will cause the Surviving Corporation to and instruct its subsidiaries to, as applicable, assume the liability for accrued personal, sick or vacation time and allow Continuing Employees to use such accrued personal, sick or vacation time in accordance with the practice and policies of Micromet and its subsidiaries, as applicable to each such Continuing Employee immediately before the Effective Time, subject to the cap on vacation accrual set forth in Amgen s vacation policy and subject to applicable law. Any accrued but unused personal, sick or vacation time of each such Continuing Employee in excess of 80% of such cap will be paid by Amgen, the Surviving Corporation (or any other subsidiaries of Amgen) as soon as practicable to such Continuing Employee at such employee s compensation rate in effect as of the Effective Time.

In addition, Amgen agrees that all Continuing Employees will be eligible to continue to participate in the Surviving Corporation s health and welfare benefit plans to the extent that they were eligible to participate in such plans prior to the Closing Date; provided, however, that if Amgen or the Surviving Corporation terminates any such health or welfare benefit plan, then (upon expiration of any appropriate transition period) Amgen will use commercially reasonable efforts to cause the Continuing Employees to be eligible to participate in Amgen s health and welfare benefit plans, to substantially the same extent as similarly situated employees of Amgen (taking into account job location). To the extent that service is relevant for eligibility, vesting or allowances (including paid time off) under any health or welfare benefit plan of Amgen and/or the Surviving Corporation, then Amgen will use commercially reasonable efforts to cause such health or welfare benefit plan to credit Continuing Employees for services prior to the Effective Time with Micromet for purposes of eligibility, vesting and allowances (including paid time off) but not for purposes of benefit accrual or participation to the same extent that such service was recognized prior to the Effective Time under the corresponding Micromet health or welfare benefit plan and provided that such service credit would not result in any duplication of benefits.

The foregoing summary and description are qualified in their entirety by reference to the Merger Agreement, which is filed as Exhibit (e)(1) hereto and is incorporated herein by reference.

Confidentiality Agreement

On August 11, 2011, the Company and Amgen entered into a confidentiality agreement (as amended, the Confidentiality Agreement). Under the terms of the Confidentiality Agreement, Amgen agreed that, subject to certain exceptions, any non-public information regarding the Company and its subsidiaries or affiliates furnished to Amgen or its representatives would, for a period of eighteen months from the date of the Confidentiality Agreement, be kept confidential and used by Amgen and its representatives solely for the purpose of considering, evaluating and negotiating a possible transaction between Amgen and the Company and would be kept confidential except as provided in the Confidentiality Agreement. The confidentiality agreement also includes a standstill provision that was subject to certain exceptions. Such summary and description are qualified in their entirety by reference to the Confidentiality Agreement and amendment thereto, which are filed as Exhibits (e)(15) and (e)(16), respectively, hereto and incorporated herein by reference.

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Collaboration Agreement

On July 11, 2011, Micromet entered into a Collaboration and License Agreement (Collaboration and License Agreement) with Amgen under which the two parties agreed to collaborate on the research of BiTE® antibodies against three undisclosed solid tumor targets and the subsequent development and commercialization of BiTE antibodies against up to two of these targets, to be selected by Amgen. Amgen paid an up-front payment of 10 million, or $14.5 million using the exchange rate as of the payment date, of which 4 million (or $5.7 million using the exchange rate as of the payment date) was an advanced payment to Micromet for research and development services to be performed by Micromet and the remaining 6 million (or $8.5 million using the exchange rate as of the payment date) was designated as the license fee relating to the license of BiTE antibody technology and know-how. Micromet has been primarily responsible for the generation and pre-clinical research of the BiTE antibodies, and Amgen will lead the clinical development, manufacturing, and commercialization of any products resulting from the collaboration. Micromet is eligible to receive up to a total of 342 million in milestone payments in connection with the development and sale of BiTE antibodies against the first target selected by Amgen, as follows: 7 million in pre-clinical milestones, 35 million in clinical milestones, and 300 million in milestones related to product approval and achievement of certain sales thresholds. Micromet is also eligible to receive an additional cash payment upon initiation of the second program, as well as milestones, royalties and development funding comparable to the first program. The combined potential payments to Micromet from both programs, excluding reimbursement of research and development costs, are approximately 695 million. Micromet has not recognized any milestone revenue under this Collaboration and License Agreement to date.

The Collaboration and License Agreement, which is filed as Exhibit (e)(13) hereto and is incorporated herein by reference, contains termination provisions whereby Amgen may terminate the agreement upon 90 days notice. There are also provisions for termination for material breach that either party may invoke according to the terms of the agreement.

(c) Arrangements among Amgen, the Purchaser, and Certain Executive Officers and Directors of the Company.

Executive Employment Agreement Amendments

On January 24, 2012, Micromet and Amgen entered into an amendment to the executive employment agreements with each of Dr. Fagerberg, Senior Vice President Chief Medical Officer, and Dr. Baeuerle, Senior Vice President Chief Scientific Officer. The amendments entered into with each of Dr. Fagerberg and Dr. Baeuerle amend the employment agreements between Micromet and Dr. Fagerberg and Dr. Baeuerle, respectively, each dated as of May 6, 2011 (collectively, the Employment Agreement Amendments). The effect of the Employment Agreement Amendments is to change certain terms of Dr. Fagerberg s and Dr. Baeuerle s employment with Micromet from and after the Effective Time. Neither of the Employment Agreement Amendments will become effective until the Effective Time. In addition, each of Dr. Fagerberg and Dr. Baeuerle have agreed that the changes pursuant to their employment contemplated by the Employment Agreement Amendments will not constitute good reason under their employment agreements.

Under the Employment Agreement Amendments, following the Effective Time, (i) Dr. Fagerberg s position and title will be Vice President, Global Development, and Dr. Baeuerle s position and title will be Vice President, Research; (ii) Dr. Fagerberg s and Dr. Baeuerle s base salaries will be 275,834 and 302,356, respectively; (iii) each of Dr. Fagerberg and Dr. Baeuerle will have an annual bonus target equal to 40% of their respective base salaries; (iv) each will be granted 10,000 restricted stock units under Amgen s equity incentive plan, which will vest fully on the second anniversary of the Effective Time, contingent upon their remaining employed with Micromet through such date; and (v) beginning in 2013, they will each be eligible to receive annual long-term incentive equity grants that are determined in accordance with Amgen s annual grant guidelines. In addition, under his Employment Agreement Amendment and a special retention award agreement

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between Amgen and Dr. Baeuerle, dated as of January 24, 2012, Dr. Baeuerle will be eligible for a $1,000,000 cash retention bonus, which will vest fully on the second anniversary of the Effective Time, contingent upon Dr. Baeuerle remaining employed with Micromet through such date or his earlier termination without cause (as defined in the agreement) or upon his earlier death or disability.

The descriptions above are qualified in their entirety by reference to Dr. Baeuerle s Employment Amendment, Dr. Fagerberg s Employment Amendment and that certain Award Agreement, dated January 24, 2012, by and between Amgen and Dr. Baeuerle, which are filed, respectively, as Exhibits (e)(5), (e)(7) and (e)(17) hereto and incorporated herein by reference.

Tender and Support Agreements

On January 25, 2012, each director and executive officer of the Company holding Shares and certain of their affiliated funds (the Supporting Stockholders) entered into, at the Company s request, a tender and support agreement with Amgen and Purchaser (collectively, the Tender and Support Agreements). Pursuant to the Tender and Support Agreements, each Supporting Stockholder agrees to validly tender (or cause to be tendered) in the Offer any and all Shares of which such Supporting Stockholder is the record or beneficial owner and any additional Shares of which such Supporting Stockholder becomes the record or beneficial owner after the date of the relevant Tender and Support Agreement and prior to the earlier of (i) the date upon which the Merger Agreement is validly terminated or (ii) the Effective Time (the Support Period) (collectively, the Subject Shares) pursuant to the terms of the Offer as promptly as practicable, but no later than ten business days following commencement of the Offer. If such Supporting Stockholder has not received all documents or instruments required to be delivered pursuant to the terms of the Offer by such time, such Supporting Stockholder agrees to tender (or cause to be tendered) the Subject Shares within two business days following the receipt of such documents or instruments, but in any event prior to the initial Expiration Date.

The Tender and Support Agreements further provide that, during the Support Period, each Supporting Stockholder will, at any meeting of the holders of Shares, vote (or cause to be voted) such Supporting Stockholder s Subject Shares (A) in favor of (i) the Merger, the execution and delivery by Micromet of the Merger Agreement and the adoption and approval of the Merger Agreement and the terms thereof and (ii) each of the other transactions contemplated by the Merger Agreement; (B) against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of Micromet in the Merger Agreement; and (C) against the following actions (other than the Merger and the other transactions contemplated by the Merger Agreement): (i) any alternative acquisition proposal; (ii) any amendment to Micromet s certificate of incorporation or bylaws; (iii) any material change in the capitalization of Micromet or Micromet s corporate structure; and (iv) any other action which would impede, interfere with, delay, postpone, discourage or adversely affect the Merger, the Tender and Support Agreement or any of the other transactions contemplated by the Merger Agreement.

In furtherance of the Supporting Stockholder covenants under the Tender and Support Agreements, each Supporting Stockholder has delivered to Amgen a proxy whereby it agreed, during the Support Period, to appoint and constitute Amgen and any designee of Amgen, and each of them, the attorneys and proxies of the Supporting Stockholder, with full power of substitution and resubstitution, to the full extent of the Supporting Stockholder s rights with respect to (i) the outstanding shares of capital stock of Micromet owned of record by the Supporting Stockholder as of the date of the proxy, which shares are specified on the final page of the proxy, and (ii) any and all other shares of capital stock of Micromet which the Supporting Stockholder may acquire on or after the date of the proxy.

Each Supporting Stockholder agrees pursuant to the Tender and Support Agreement that it will not enter into any tender, voting or other such agreement, or grant a proxy or power of attorney, with respect to any of the Subject Shares that is inconsistent with the Tender and Support Agreement or otherwise taken any other action with respect to any of the Subject Shares that would in any way restrict, limit or interfere with the performance of

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any of the Supporting Stockholder s obligations under the Tender and Support Agreement or any of the actions contemplated thereby.

The Tender and Support Agreements and all rights and obligations of the parties thereunder, including the proxy, shall terminate, and no party shall have any rights or obligations thereunder and the Tender and Support Agreement shall become null and void on, and have no further effect as of the earlier of (i) the date upon which the Merger Agreement is validly terminated, or (ii) the date upon which the Merger becomes effective.

The foregoing summary and description of the Tender and Support Agreements are qualified in their entirety by reference to the Form of Tender and Support Agreement, which is filed as Exhibit (e)(14) and is incorporated herein by reference.

The Merger Agreement and Form of Tender and Support Agreement have been filed as exhibits to the Schedule 14D-9 to provide stockholders with information regarding their terms and are not intended to modify or supplement any factual disclosures about the Company in the Company s public reports filed with the SEC. The Merger Agreement and the form of Tender and Support Agreement and the summary of their terms contained in the Offer to Purchase filed by Purchaser with the SEC on February 2, 2012, are incorporated herein by reference, and are not intended to provide any other factual information about the Company. The representations, warranties and covenants contained in each agreement were made only for the purposes of such agreement and as of specified dates, were solely for the benefit of the parties to the agreements, and may be subject to limitations agreed upon by such parties. The representations and warranties may have been made for the purposes of allocating contractual risk between the parties to the agreements instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Neither investors nor stockholders are third-party beneficiaries under the Merger Agreement or the Tender and Support Agreements. Accordingly, investors and stockholders should not rely on such representations, warranties and covenants as characterizations of the actual state of facts or circumstances described therein. Information concerning the subject matter of such representations and warranties may change after the date of the agreements, which subsequent information may or may not be fully reflected in the parties public disclosures.

Item 4. The Solicitation or Recommendation.

On January 25, 2012, the Board of Directors of Micromet unanimously (i) determined that the Merger Agreement and the Transactions are advisable, fair to and in the best interests of Micromet and its stockholders, (ii) approved and declared advisable the Merger Agreement and the Transactions in accordance with the requirements of the DGCL and (iii) resolved to recommend that the Micromet stockholders tender their Shares to Purchaser pursuant to the Offer, and, if necessary under applicable law, adopt the Merger Agreement.

Accordingly, and for other reasons described in more detail below, the Board of Directors of Micromet unanimously recommends that the Company s stockholders tender their Shares pursuant to the Offer and, if required, adopt the Merger Agreement.

A press release, dated January 26, 2012, issued by the Company and Amgen announcing the Offer, is included as Exhibit (a)(1)(G) hereto and is incorporated herein by reference.

(i) *Background of Offer*

Micromet is a biopharmaceutical company focused on the discovery, development and commercialization of innovative antibody-based therapies for the treatment of cancer. Micromet s product development pipeline includes novel antibodies generated with Micromet s proprietary BiTE antibody platform, as well as conventional monoclonal antibodies. The Board of Directors of Micromet and its senior management team have continuously reviewed and evaluated potential product development collaborations, licensing and other strategic

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opportunities in order to advance the clinical development of antibody-based therapies for the treatment of cancer, finance Micromet s clinical development efforts and maximize value for Micromet s stockholders. Consistent with this strategy, Micromet has established product development collaborations with Bayer Schering Pharma, sanofi-aventis, Amgen, Boehringer Ingelheim and MedImmune.

In 2009, the Board of Directors of Micromet determined that it was in the best interests of Micromet to retain an investment bank to advise the Board with respect to its takeover preparedness and potential responses to any unsolicited acquisition proposals and stockholder activism. After interviewing several investment banks, in December 2009, the Board retained Goldman, Sachs & Co. (Goldman Sachs) based upon factors including its experience in mergers and acquisitions, shareholder activism and knowledge of the industry.

On June 15, 2010, Micromet entered into a confidentiality agreement with Amgen to discuss a potential collaboration relating to the use of Micromet s BiTE technology against solid tumor cancers. During the remainder of 2010, the business development and research and development functions of both organizations held several meetings to discuss a potential collaboration and an outline for a collaboration was developed.

On January 10, 2011, Dr. Christian Itin, Chief Executive Officer of Micromet, and Dr. Roger Perlmutter, Executive Vice President, Research and Development of Amgen, met in San Francisco to discuss the potential collaboration on BiTE antibodies. During that meeting Dr. Perlmutter indicated Amgen s potential interest in collaborating on blinatumomab as well. Dr. Itin informed Dr. Perlmutter that Micromet wanted to focus on a collaboration on new BiTE antibodies and that should Micromet initiate a partnering process for blinatumomab, Amgen would be invited to participate.

Between January and June, 2011, the business development and research and development functions of Micromet and Amgen had several meetings relating to the potential collaboration on new BiTE antibodies.

On March 30, 2011, during its regular meeting, Dr. Itin informed the Board of Directors of Micromet that a meeting with senior Amgen executives was scheduled on April 5, 2011, to discuss the potential collaboration and that Dr. Itin believed that Amgen might seek to broaden the discussion to a strategic transaction. Following a discussion, the Board agreed that the conversation with Amgen should be focused on the collaboration and that given the Company s then-current stock price level, which the Board believed undervalued the company, a broader discussion would not be appropriate at that time.

On April 5, 2011, Dr. Itin, Dr. Patrick Baeuerle, Chief Science Officer of Micromet and Dr. Jens Hennecke, Senior Vice President, Business Development of Micromet met with Dr. Perlmutter, Dr. Iain Dukes, Vice President, External R&D of Amgen, Mrs. Erin Lavelle, Executive Director, Business Development of Amgen, and Mr. Michael Flaschen, Executive Director, External R&D of Amgen, in New York City for ongoing collaboration negotiations. During that meeting, Amgen introduced the idea of a strategic transaction and Dr. Itin indicated that at that time Micromet was focused on completing the proposed collaboration on new BiTE antibodies. Amgen did not make a specific proposal to acquire Micromet at that time.

On May 18, 2011, Dr. Dukes met with Dr. Michael Carter, a member of the Board of Directors of Micromet, in Rhode Island, for a purpose unrelated to Micromet. During the meeting, Dr. Dukes indicated that Amgen was interested in exploring a possible acquisition of Micromet and Dr. Carter indicated that the Board might be willing to entertain an appropriate acquisition offer by Amgen and that he would raise the matter with the Chairman of the Board, Mr. David Hale.

On June 22, 2011, in an executive session of the non-employee directors of Micromet held during the regularly scheduled Board of Directors meeting, Dr. Carter and Mr. Hale relayed to the Board the substance of Dr. Carter s discussion with Dr. Dukes. The non-executive directors discussed the possibility of a transaction with Amgen, and agreed that Mr. Hale should contact Dr. Perlmutter to determine what Amgen was seeking, but not for purposes of soliciting any acquisition proposals.

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On July 11, 2011, Micromet s wholly owned subsidiary Micromet AG and Amgen entered into a Collaboration and License Agreement under which the companies would collaborate on the research of BiTE antibodies against three unspecified solid tumor targets and the subsequent development and commercialization of BiTE antibodies against up to two of these targets, which would be selected by Amgen.

On July 14, 2011, Drs. Perlmutter and Dukes met with Mr. Hale and Mr. Joseph Slattery, another member of the Board of Directors of Micromet, in San Diego to express Amgen s interest in a potential transaction and indicated that Amgen was planning to prepare a non-binding proposal letter for an acquisition.

On July 18, 2011, Mr. Kevin W. Sharer, Amgen s Chairman of the Board and Chief Executive Officer, sent a letter to Mr. Hale indicating Amgen s proposal for an acquisition of Micromet at a price of $9.00 per share in cash.

On July 19, 2011, the Board of Directors of Micromet met, with representatives of Goldman Sachs and Cooley LLP (Cooley), Micromet s outside counsel, participating in the meeting. The Board discussed the proposal received from Amgen. A representative of Cooley reviewed fiduciary duty considerations in connection with the review of an acquisition proposal. Representatives of Goldman Sachs provided analysis of financial aspects of the proposal. The Board and Cooley discussed the process for evaluating and responding to the Amgen proposal. Following a discussion in executive session, the Board requested that Goldman Sachs work with management on an updated review of the market and financial analysis of Micromet and scheduled a follow-up meeting to discuss the proposal.

On July 25, 2011, Dr. Dukes called Dr. Carter seeking information on the status of Micromet s response to Amgen s proposal. Dr. Carter informed Dr. Dukes that the Board of Directors of Micromet was meeting the next day with its financial advisor, Goldman Sachs, to assess Amgen s proposal.

On July 26, 2011, the Board of Directors of Micromet met, with representatives of Goldman Sachs and Cooley participating, to discuss the proposal from Amgen. Representatives of Goldman Sachs reviewed the current biotechnology merger and acquisition landscape, analyst reports and market perspective on Micromet and preliminary financial analyses of Micromet. The Board discussed Micromet s and Goldman Sachs s preliminary financial analyses and key strategic and process related risks in pursuing a transaction at that time, upcoming milestone events that could enhance stockholder value and associated risks, Micromet s financing requirements and related dilution and Micromet s strategic alternatives, including pursuing planned partnering discussions for blinatumomab and continuing as an independent company. After a full discussion in executive session, the Board unanimously resolved to reject as inadequate the proposal from Amgen and agreed that Goldman Sachs would communicate to Amgen the Board s decision, including the Board s assessment that the offer price of $9.00 per share did not reflect the full and fair value of Micromet. Following the meeting, representatives of Goldman Sachs contacted Mr. David Piacquad, Vice President, Strategy and Corporate Development at Amgen, and informed him that the Board was not interested in a transaction at that price level.

On August 1, 2011, Dr. Perlmutter contacted Mr. Hale to indicate that Amgen remained interested in a transaction and would like to conduct additional due diligence on Micromet so that they could more fully understand the value of the company. At that time, Mr. Hale indicated he would convey that interest to the Board of Directors of Micromet at its meeting later that week and Dr. Perlmutter and Mr. Hale discussed the possibility of a face-to-face meeting in mid-August.

On August 3, 2011, the Board of Directors of Micromet met, with representatives of Goldman Sachs and Cooley participating, to discuss Amgen s request to conduct limited due diligence. Following the meeting, Mr. Hale followed up with Dr. Perlmutter and confirmed that, if Amgen entered into a confidentiality agreement with a standstill with Micromet, the Board was willing to allow Amgen to conduct limited due diligence to determine whether Amgen could increase its offer price.

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On August 5, 2011, Dr. Itin contacted Dr. Perlmutter to coordinate the due diligence session and proposed the meeting in San Francisco. Dr. Itin and Micromet provided Amgen with a proposed agenda for the due diligence session and a draft confidentiality agreement, and Dr. Perlmutter submitted a due diligence request and proposed attendee list to Dr. Itin. The parties negotiated the scope of the diligence meeting and confidentiality agreement over the next few days, and entered into the confidentiality agreement with a standstill on August 18, 2011.

The parties met on August 18, 2011 in San Francisco for a due diligence session to discuss potential sources of additional value that would permit Amgen to increase its offer price. Among those in attendance for Amgen were Drs. Perlmutter and Dukes, Mr. Piacquad, Dr. Sean Harper, Senior Vice President, Global Development and Corporate Chief Medical Officer of Amgen, Dr. Paul Eisenberg, Senior Vice President, Global Regulatory Affairs and Safety of Amgen, Dr. Roy Baynes, Vice President, Global Development Hematology/Oncology of Amgen, Ms. Alison Moore, Vice President, Process & Product Engineering of Amgen, and Mr. Jonathan Porter, Director, Commercial Global Marketing of Amgen. Those in attendance for Micromet included Drs. Itin, Baeuerle and Hennecke, Dr. Ulrich Grau, Chief Operating Officer of Micromet, Dr. Jan Fagerberg, Chief Medical Officer of Micromet, and a representative of Goldman Sachs.

On August 19, 2011, the Board of Directors of Micromet met, with senior management and representatives of Cooley and Goldman Sachs in attendance, to discuss the diligence meeting with Amgen. The Board also discussed other potential strategic parties who would potentially be interested in, and were capable of, acquiring Micromet and resolved to contact Company A, with whom the company had an existing relationship, to gauge interest.

Following the meeting, Dr. Itin contacted Company A to determine whether Company A had any interest in pursuing an acquisition of Micromet at this time and representatives of Company A indicated that they would consider the opportunity and respond later.

On September 1, 2011, Dr. Perlmutter called Mr. Hale and reiterated Amgen s proposal to acquire Micromet at a price of $9.00 per share. Mr. Hale indicated that he was disappointed that Amgen was unwilling to raise their offer price following the diligence meeting, that the Board of Directors of Micromet had determined that $9.00 per share was not an appropriate value for the Micromet stockholders, but that he would take the proposal back to the Board.

On September 2, 2011, the Board of Directors of Micromet met with senior management and representatives of Goldman Sachs and Cooley participating. Mr. Hale informed the Board of his most recent discussions with Amgen in which Dr. Perlmutter had indicated that the due diligence meeting had given Amgen a better understanding of Micromet s technology and platform but that in light of current market conditions, Amgen was unwilling to increase its offer. The Board discussed Micromet s position with its advisors and requested that Goldman Sachs update its preliminary analyses of Micromet.

On September 8, 2011, the Board of Directors of Micromet met, with senior management and representatives from Goldman Sachs and Cooley participating, to review the updated valuation of Micromet. Following such review, the Board reaffirmed its rejection of Amgen s $9.00 per share offer. In addition, the Board supported management s recommendation to begin the process of partnering Micromet s lead compound, blinatumomab.

Mr. Hale responded to Dr. Perlmutter on September 9, 2011 to indicate that the Board of Directors of Micromet had determined that $9.00 was not an adequate offer price and the Board was disappointed that Amgen did not find increased value as a result of the diligence discussion in San Francisco.

Mr. Sharer sent a letter, dated September 19, 2011, to Mr. Hale indicating that Amgen continued to propose an acquisition of Micromet at a price of $9.00 per share.

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On September 22, 2011, the Board of Directors of Micromet met with senior management and representatives of Goldman Sachs and Cooley. The Board discussed the latest letter received from Amgen. Representatives from Cooley reviewed the Board s fiduciary duties in connection with the consideration of the proposal and reviewed the terms of the standstill agreement with Amgen. The Board discussed possible responses to the letter with its advisors. Following the discussion, the Board requested that Goldman Sachs contact Amgen and inform Amgen of Micromet s unwillingness to proceed with discussions at $9.00 per share and the fact that Micromet had commenced a partnering process for blinatumomab.

Following the meeting, a representative of Goldman Sachs spoke with Robert A. Bradway, Chief Operating Officer of Amgen, and again conveyed the unwillingness of the Board of Directors of Micromet to proceed with discussions at $9.00 per share and their disappointment that Amgen did not find increased value as a result of the diligence discussions in San Francisco. Goldman Sachs agreed to call Amgen after discussing the matter further with the Board.

On September 28, 2011, the Board of Directors of Micromet met, with senior management, Goldman Sachs and Cooley participating, to discuss the latest communications between Amgen and Goldman Sachs. Dr. Itin also informed the Board that Company A had informed him that it was not interested in pursuing a transaction at this time. Following a discussion in executive session, the Board agreed to discuss the Amgen proposal further at the upcoming regular board meeting, and instructed representatives of Goldman Sachs to inform Amgen that Micromet would respond to Amgen following such meeting.

On September 29, 2011, representatives of Goldman Sachs spoke with Mr. Piacquad and confirmed that Micromet would respond further to Amgen s offer after the meeting of the Board of Directors of Micromet scheduled for the following week.

In September 2011, Micromet commenced a process for entering into a collaboration with respect to blinatumomab. During the process, Micromet contacted 21 potential collaboration parties, held face-to-face meetings with 11 potential parties and engaged in a due diligence process with 10 parties. The collaboration process was ongoing during the subsequent discussions with Amgen.

On October 4 through 6, 2011, the Board of Directors of Micromet held a regular meeting in Munich, Germany. Representatives of Goldman Sachs and Cooley attended portions of the meeting. During that meeting, the Board reviewed in detail Micromet s strategic plan and strategic alternatives, including the company s financing requirements and financing strategies to advance clinical development of key programs and the collaboration strategy for blinatumomab, including alternative structures for a potential collaboration. The Board also reviewed updated financial analyses and determined that it was not interested in pursuing discussions with Amgen at $9.00 per share and agreed that Micromet should continue to pursue its collaboration strategy for blinatumomab. Based on its review of the financial analyses, the Board discussed its potential interest in pursuing a transaction at a higher value, discussed going back to Amgen at $12.00 per share and authorized Goldman Sachs to communicate to Amgen that the Board might consider engaging in discussions at a much higher price than $9.00 per share.

On October 11, 2011, representatives of Goldman Sachs on behalf of the Board of Directors of Micromet contacted Mr. Piacquad to reject the $9.00 per share offer. Goldman Sachs communicated that while Micromet might still entertain a potential transaction with Amgen at a substantially higher price per share, Micromet was also pursuing licensing and collaboration transactions.

On October 12, 2011, the Board of Directors of Micromet met with senior management and representatives of Goldman Sachs and Cooley present. The Board received an update regarding the communications between Goldman Sachs and Amgen. In addition, in executive session, the Board approved the terms of the retention of Goldman Sachs to serve as the financial advisor to the company in connection with a potential sale of the company.

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Micromet entered into an engagement letter with Goldman Sachs on October 14, 2011 covering Goldman Sachs s services as a financial advisor in co